

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Cherie R. Kiser

202 434 7300
202 434 7400 fax

Direct dial 202/434-7325
Ckiser@mintz.com

August 18, 2000

**BY FACSIMILE AND
OVERNIGHT DELIVERY**

Mr. Ronald Hill
SBC Communications
Four Bell Plaza, Room 840
311 South Akard Street
Dallas, Texas 75202

Re: SCC Communications Corp. Interconnection Agreement Negotiations

Dear Ron:

I have not heard from you since our last conversation on August 15, 2000. Thus, I thought it would be useful to provide SBC Communications ("SBC") with an overview of the events that have transpired with respect to attempts by SCC Communications Corp. ("SCC") to pursue a negotiated multi-state interconnection agreement with SBC. In light of SCC's preference for obtaining interconnection with SBC through a negotiated arrangement rather than arbitration, this recap is intended merely to highlight our past efforts to work with SBC and confirm the parties' mutual understanding of the negotiations time table going forward.

SCC notified SBC of its request to commence formal negotiations with SBC by letter sent via overnight delivery on March 27, 2000. SCC received correspondence from Mr. Jack Frith, dated April 5, 2000, acknowledging receipt of SCC's negotiations request. Mr. Frith identified Ms. Patti Hogue as the lead SBC negotiator, and provided two (2) copies of a Mutual Confidentiality and Nondisclosure Agreement ("NDA"). Mr. Bob Vernon of SCC and Ms. Susan Lord of SBC negotiated revisions to the NDA. On May 4, 2000, Ms. Lord sent unexecuted final copies of the revised NDA to Mr. Vernon. SCC executed the NDA on May 5, 2000, and returned it to Ms. Lord for execution by SBC. SCC received a fully executed copy of the NDA on May 15, 2000; however, the date under the SBC signature continued to reflect April 12, 2000, although that is not when SBC executed the NDA.

While revisions to the NDA were being negotiated, SBC assigned a new negotiator to SCC, Ms. Suzette Wolfe. Mr. Huberman and Ms. Wolfe exchanged several voicemails and finally spoke on May 2, 2000. Ms. Wolfe recommended that SCC pursue a multi-state agreement if it is interested in interconnection in other areas of the SBC region, rather than a Texas-specific agreement, as SCC originally requested. On May 9, 2000, Ms. Marianne Kline

Boston Washington New York Reston

provided Mintz Levin, counsel for SCC, with electronic copies of SBC's multi-state interconnection template.

On June 29, 2000, Mr. Huberman forwarded Ms. Wolfe marked-up versions of the General Terms and Conditions section and the Appendix 911 to the multi-state agreement. Receipt of these materials was confirmed by Federal Express and by signature of N. Hickman of SBC. SCC did not hear back from SBC, and Mr. Huberman placed several calls to Ms. Wolfe. On July 13, 2000, Ms. Wolfe returned Mr. Huberman's calls and informed him that she had been reassigned and that she would forward the documents to the new negotiator, who had not yet been identified. I believe you and Mr. Huberman exchanged voicemails during the week of July 17-21 while you were on vacation and made plans to talk on July 24 to arrange a conference call to discuss SCC's interconnection request. Mr. Huberman finally spoke to you on July 25 and outlined SCC's plans in broad terms, and you indicated you would call the next day to schedule a more in-depth conversation and consult your superior, Ms. Hogue, as to other SBC personnel to be included. As you know, both Mr. Huberman and I received calls from you on August 2, 2000, during which you requested that we provide electronic versions of the documents SCC had sent to SBC on June 29 in order for SBC to review those materials.

Both Mr. Huberman and Ms. Elizabeth Dickerson of our firm attempted to e-mail you the documents, but they were undeliverable to the e-mail address you had provided. Finally, on August 3, 2000, you e-mailed Ms. Dickerson and she was able to attach the documents in a reply to your e-mail. An initial conference call was finally held on Friday, August 11, 2000, at which time you informed us that your subject matter experts had not reviewed SCC's proposed revisions to the Terms and Conditions and Appendix E911. You indicated that your experts were unable to review SCC's proposed revisions because you had just received the electronic version. However, SBC had received this information more than a month earlier on June 30, 2000.

Essentially, five months have passed, and we have yet to have our first substantive discussion with SBC. We had previously used March 28, 2000 as the initial negotiations request date because our request was sent via Federal Express on March 27, 2000. Based on this, our calculations indicate that the window during which SCC can request arbitration would close September 5, 2000.

No doubt, you will agree that it would be mutually detrimental if either party insisted upon rushing negotiations to meet this deadline. During our last conversation on August 15, 2000, you indicated that SBC had not resolved what it believed to be the date of receipt of SCC's request for negotiations, but that SBC may view the execution of the NDA as the official date of receipt. As indicated above, SCC executed the NDA on May 5, 2000. The use of this date is acceptable to SCC. SCC will assume May 5, 2000 is the date that the parties mutually agree triggers the clock under Section 252 of the 1996 Act, unless we receive a response to the contrary.

Mr. Ron Hill
Page 3 of 3
08/18/00

Based on our calculations, establishing May 5, 2000 as the initial negotiation request date, the window for filing a petition for arbitration is September 17, 2000 to October 12, 2000. We understand that we cannot expect to receive feedback from SBC regarding SCC's revisions of the multi-state template until August 30, 2000. The current schedule leaves us with essentially only six weeks for negotiations. However, we are hopeful that in light of the limited modifications being requested by SCC -- limited to approximately seven (7) of the sixty-four (64) appendices of SBC's template multi-state agreement -- the schedule will provide sufficient time to reach a negotiated agreement. As indicated, SCC owes SBC its revisions to the other few appendices, which it hopes to provide later today or early next week. Please note, however, that SCC cannot complete its review of the SS7 appendix until it receives the technical publications requested from you by Ms. Dickerson on August 17, 2000.

We look forward to working with SBC to reach a mutually agreeable interconnection arrangement quickly. Please give me a call to schedule a conference call for the first week of September to discuss the revised agreement.

Sincerely,



Chérie R. Kiser
Counsel to SCC Communications Corp.

cc: David Huberman

DCDOCS:177512.1(3SYW01!.DOC)
08/18/00 5:41 PM